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ABSTRACT

This composite report provides a snapshot of current thinking about the needs and challenges of consumer education in the United States. The quotations were selected from responses of a small group of educators, legislators, and consumer leaders in business, government, labor, the media, and the community who were invited to write brief statements about consumer education as they saw it. With the exception of a 1975 quote from Ralph Nader, all quotations are current. They are divided into six categories. The name and position of the author are provided. The section on "Choice and Empowerment" addresses clarity of choice; minorities, language, and cultural differences; empowering consumers; marketplace power; accepting responsibility; and improving consumer literacy. "Information and Decisions" covers consumer self-education, finding and using information, government information, and informed decisions in a global marketplace. Quotations in "Consumer Protection" relate to prevention--the best remedy and antidote for fraud; those in "Business and Consumers" discuss when everyone profits and the existence of a false comfort level. "Teacher Education" quotations address the need for increased funding; U.S. teacher academies to include consumer education; experience as a negative teacher; the family; and teacher accreditation, guidelines, and training. Quotes in "Students as Consumers" cover math for everybody, what students say, and how neglect shortchanges students. (YLB)

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# CONSUMER EDUCATION IN THE UNITED STATES

## A Composite Vision, 1992

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
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NICE

**National Institute for Consumer Education**
**Eastern Michigan University**
207 Rackham Building, Ypsilanti, MI 48197
*telephone (313) 487-2292* *fax (313) 487-7153*

August, 1992

Dear consumer educators and leaders:

This composite vision of consumer education in the United States was presented by NICE at a lecture titled **The Education of Consumers in the United States** as part of an international post-graduate summer course on **Technology and the Consumer** at the University of Complutense in Madrid, Spain in August, 1992.

A small group of educators, legislators and consumer leaders in business, government, labor, media and the community were invited to write brief statements about consumer education as they see it. The resulting composite provides a snapshot of current thinking about the needs and challenges of consumer education in the United States.

With the exception of the 1975 quote from Ralph Nader which provides an interesting historical point of comparison, all of the quotations are current.

We invite you to use these quotations in your work as you help strengthen and promote consumer and economic education in the schools, workplaces and communities of our nation.

Sincerely,

Rosella Bannister

Rosella Bannister, Director



ERIC® *Adjunct Clearinghouse on Consumer Education*

# CONSUMER EDUCATION IN THE UNITED STATES: A COMPOSITE VISION 1992


CHOICE AND EMPOWERMENT ..... 1

Clarity of Choice
Minorities, Language and Cultural Differences
Empowering Consumers
Marketplace Power
Accepting Responsibility
Improving Consumer Literacy

INFORMATION AND DECISIONS ..... 3

Information is Essential
Consumer Self Education -- Information Processing
Ask Questions, Use Information
Finding and Using Information
Government Provides Information
Informed Decisions in a Global Marketplace

CONSUMER PROTECTION ..... 5

Prevention -- The Best Remedy
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Math for Everybody
What Students Say
Neglect Shortchanges Students

# CHOICE AND EMPOWERMENT

## CLARITY OF CHOICE

As long as a complex marketplace clouds the clarity of choice, consumer education will be necessary. An ability to distinguish among buying alternatives that serve both individual and societal needs is vital. Only through the combined efforts of educators, industry, citizen initiative, and government can consumers be prepared to make competent personal economic decisions.

**Les R. Dlabay**, Author and
Associate Professor of Business
Lake Forest College, Illinois

## MINORITIES, LANGUAGE AND CULTURAL DIFFERENCES

Consumer education is a must as America's minority population continues to increase. Government, consumer organizations and the private sector must expand outreach and develop publications which reflect the diversity of language and cultural differences among them.

**Florence M. Rice**, President
Harlem Consumer Education Council, Inc.
New York

## EMPOWERING CONSUMERS

Empowering consumers to purchase with wisdom and sensitivity is one of our greatest challenges. The public needs to know quality and price and whether a product might harm the environment. In addition, fraudulent schemes are commonplace and claim millions of victims each year.

Advocates are experimenting with sophisticated technological devices to deliver our messages -- from video news releases to electronic bulletin boards -- we try to meet the demand.

**Linda F. Golodner**, President
National Consumers League

## MARKETPLACE POWER

The U.S. marketplace is a reflection of accumulated consumer choices. Consumer education is essential to a successful, responsive marketplace because the better we educate our nation's consumers, the better they will make those choices which best mirror their needs.

Educated consumers understand and use wisely the power they wield. They know that one of the central tenets of being a good citizen is to be a good consumer.

**Patricia Faley**, Director
Consumer, Industry and International Relations
United States Office of Consumer Affairs

## ACCEPTING RESPONSIBILITY

Because consumer and economic education involve basic ideas and decision-making, they provide a way of looking at problems that can be used in all areas of life. More importantly, they help individuals to accept responsibility for and consequences of their actions, thus empowering them.

**Timothy Schilling**
Economic Education Specialist
Federal Reserve Bank of Chicago

## IMPROVING CONSUMER LITERACY

One of the major world-wide consumer education challenges is to dramatically improve consumer literacy levels. Better informed consumers not only receive better value in the marketplace but they insure that it remains competitive and pro-customer.

**Steven Brobeck**, Executive Director
Consumer Federation of America

# INFORMATION and DECISIONS

## INFORMATION IS ESSENTIAL

For economic markets to work effectively, consumers must have adequate information. That principle is the single most important aspect of consumer protection.

**Griffith L. Garwood**, Director
Division of Consumer and Community Affairs
United States Federal Reserve System

## CONSUMER SELF EDUCATION -- INFORMATION PROCESSING

To manage their lives, Americans need basic consumer skills. But to survive in the future, they will need better information-processing skills to locate information and utilize new information technologies.

Some of this information will come from product advertising. But broader, more objective information will come from government, universities, organizations, and media as these groups provide opportunities for consumer self education, continuing education and community education.

**Irene M. Vawter**, Assistant Director
Consumer and Business Education
U.S. Federal Trade Commission

## ASK QUESTIONS, USE INFORMATION

In our highly competitive commercial world, consumers have many choices. The proliferation of products and labels can become so confusing that intelligent judgment is impossible.

American consumers are becoming more cautious in our spending habits. The information that accompanies a product, as well as its quality, is now as important as price when we make decisions. We read articles and research material on the durability of cars and appliances, and ask questions about the nutritional value of our food.

We see the value of consumer education in the schools, and special classes for adults. I believe that our next generation will be better informed and more intelligent consumers than we have been.

**Esther Shapiro,** Director
Consumer Affairs Department
City of Detroit, Michigan

## FINDING AND USING INFORMATION

A major challenge facing consumer educators is to convince consumers of all ages that they need reliable information to make satisfying consumer decisions, and motivate them to find sufficient information before making important consumer decisions.

Effective consumer education is realistic without being adversarial in describing how the marketplace functions. It emphasizes the responsibility of individuals to work for a more efficient and ethical marketplace in their various roles as business owners, managers and employees, as government regulators and legislators, as educators, and as consumer-citizens.

**Janice Holm Lloyd,** Extension Specialist
North Carolina State University
Cooperative Extension Service

## GOVERNMENT PROVIDES INFORMATION

For 22 years, American consumers have requested the latest Federal government consumer information from the Consumer Information Center's distribution facility in Pueblo, Colorado. We believe that the Federal government has an ongoing responsibility to make consumer education available to all citizens. We encourage private industry to develop objective information jointly with the Federal agencies under our cooperative publishing program.

**Mary Levy**, Director
Publications and Media Division
U.S. Consumer Information Center

## INFORMED DECISIONS IN A GLOBAL MARKETPLACE

Consumer education will continue to be an essential subject for students in United States schools as the global marketplace expands. More than ever we need consumers who are able to make informed decisions as they evaluate an ever-increasing array of goods and investment opportunities available from nations throughout the world.

**Robert Ristau**, Professor and Author
Business and Consumer Education
Eastern Michigan University

# CONSUMER PROTECTION

## PREVENTION -- THE BEST REMEDY

By far the best remedy for most consumer ripoffs is to avoid being deceived in the first place. As a consumer advocate, I know that an ounce of prevention, in the form of effective consumer education, is worth a pound of courtroom cures after the fact.

**Hubert Humphrey, III**
Minnesota Attorney General
and President-Elect,
National Association of Attorneys General

## ANTIDOTE FOR FRAUD

Consumer protection agencies in the United States see problems of consumers who lack sufficient economic information and understanding to protect themselves in a complex marketplace.

It is imperative that our schools infuse basic consumer economic skills into all levels of curriculum so that our children can enter society armed with decision making and critical thinking abilities and basic consumer knowledge to enable them to comparison shop, balance a checkbook, budget, understand credit, rental agreements, recision rights, buy a car, and function effectively in the daily business of life.

Consumer protection agencies know that there is no substitute for the best antidote to fraud -- consumer education. We recognize the need for consumer education for both the in-school and out-of-school populations. Now we need to fully implement it.

**Susan Giesberg**, President
National Association
of Consumer Agency Administrators

# BUSINESS AND CONSUMERS

## WHEN EVERYONE PROFITS

In business, the best deals are the ones in which everyone profits -- and consumer education certainly falls into this category. Consumers gain an understanding of how to manage credit to their benefit; we gain customers who ask fewer questions, register fewer complaints, yes, and run up fewer bad debts, thereby contributing to keeping the economy on a more even keel.

**Janet C. Koehler**, Director
Consumer Affairs
AT&T Universal Card Services Corporation

## A FALSE COMFORT LEVEL

The success of the U.S. consumer movement in creating better educated consumers and more responsive corporations has given Americans a false comfort level.

The next phase of consumerism in the U.S. must concentrate on consumer education that addresses the needs of both new and existing consumers in a global economy and in a technological age.

- It must provide U.S. consumers with a greater understanding of a global marketplace and their role within it.
- It must educate U.S. business to the importance of understanding and accommodating its customers, both in the U.S. and abroad, providing the same standard of quality and service in all markets.
- It must recognize that it is in the best interests of consumers and business to invest in consumer education on an ongoing basis.

The effective participation of business, government and consumer leaders in consumer education is important for a healthier national and world economy.

**Irene K. Williamson,** President
Williamson International, and Publisher
*International Parallels*, a Newsletter

# TEACHER EDUCATION

## NEED FOR INCREASED FUNDING FOR TEACHER EDUCATION

In the United States, consumer education provides knowledge and skills we need to function effectively as consumers, workers and citizens within the national and global economy.

Consumer education focuses on personal economic decision-making and critical thinking about topics such as money management, consumer credit, insurance, saving, investing, consumer health, environment, citizen rights and responsibilities and basic economic principles.

Government, business and labor must work together to increase funding for teacher training and up-to-date teaching materials so that consumer education can take its rightful place in the mainstream of public education.

**William D. Ford**, Chairman
Committee on Education and Labor
Congress of the United States

## U.S. TEACHER ACADEMIES TO INCLUDE CONSUMER EDUCATION

It is the intention of the conferees that consumer education teachers participate in the activities of the State and National Academies established in the key academic subject of economics.

Secondary school teachers are often ill-prepared to teach the concepts of consumer and economic education in social studies, mathematics, business education and home economics classrooms.

**Report**, July 1992
Reauthorization of Higher Education Act

Committee on Education and Labor
U.S. House of Representatives

## EXPERIENCE CAN BE A NEGATIVE TEACHER

For too long we have allowed life experiences to be the teacher of consumer habits. When these experiences are negative, they cost the consumer money. Individuals then lose trust in the business world and in themselves as competent consumers. It is imperative to teach positive consumer skills in educational settings from kindergarten through senior citizen centers.

**Clair E. Villano,** Director
Consumer Fraud Division
Office of the District Attorney
State of Colorado

## THE AMERICAN FAMILY

Consumer education in the United States continues to be one of the greatest needs of youth and adults as members of the American family. Over four million youth and adults are enrolled in Consumer Education as a specific program or as a sequential course in Consumer and Homemaking Education, federally funded under the Carl D. Perkins Vocational and Applied Technology Act of 1990.

The challenge is to continue to prepare qualified home economics educators who will teach youth and adults to best utilize their resources, time, money, and energy, for self-sufficiency in a global society.

**Bertha King**, Program Specialist, HE
Division of Vocational-Technical Education
United States Department of Education

## TEACHER ACCREDITATION , GUIDELINES AND TRAINING

I support those who believe that there is a need for:

- consumer education to be recognized as a component of general education for all students
- teacher accreditation for consumer education
- new guidelines for teaching consumer education
- consumer concepts to be included in teacher education in subjects such as economics, history, government, science, mathematics, environmental and international education.

**John Chapman,** Specialist
Social Studies and International Education
Michigan Department of Education

# STUDENTS AS CONSUMERS

## MATH FOR EVERYBODY

Our schools need to do more to educate students about money management. In schools, we argue about who should teach it and whether only low-ability students should take a consumer math course. We believe that all students should have the opportunity to study personal finance. Everyone uses math in day-to-day consumer decisions, so why do we teach trigonometry without also teaching consumer math skills?

**Rose Mayr** and **Tamara Dodge**
Mathematics Teachers
Michigan High Schools

## WHAT STUDENTS SAY

Over the twenty-two years in which I have taught consumer education, students have consistently reported:

> **"Consumer Education was the most valuable course I took in high school. It introduced me to the real world."**

Consumer education is life economics--the economics of finance, credit, insurance, investments, taxes, fraud, environment, trade-offs, consumer protection, redress mechanisms, laws and regulations. It has been very satisfying for me as a teacher to help young people develop the confidence to function responsibly in a complex consumer-oriented economy.

**D. Hayden Green**
Illinois Consumer Education Teacher
Textbook Author and School Administrator

## NEGLECT SHORTCHANGES STUDENTS

Although they will spend a large part of their lives involved in consumer activities, during twelve years of schooling most students are taught very little that will help them deal effectively with the marketplace.

They know nothing about the insurance or banking industries. They are not taught how to handle their own money or to protect their own health. And they don't know how to deal with their consumer rights: where to go to have their grievances resolved or how to get information. Worst of all, they don't even know what questions to ask.

**Ralph Nader,** Consumer Advocate
A 1975 quote

From an article entitled "Neglect of Consumer Education is Shortchanging both Students and the Nation", **Today's Education**, U.S. Office of Education, September-October, 1975.